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Confidence still high in marketing industry, says CIM survey

Marketers predict bright future – but fears for inflation are edging up

The latest Marketing Trends Survey from The Chartered Institute of Marketing has found that the marketing industry remains in a bullish mood.

The survey, which questioned around 500 senior marketing professionals on their business and its prospects for the future has found that marketers are planning to spend substantially more this year. On average UK firms are planning to increase their marketing expenditure over the next year by 4.6%, with higher than average increases in spend expected in Greater London, Northern Ireland, the West Midlands, the South West and the North West. Spend on Internet marketing is expected to have the biggest growth - the spending in this area will be upped by 7.2%. Marketing information systems and lead generation will also be priorities over the next twelve months, with both of these areas seeing predicted spend increases of 4.8%.

Sales are expected to increase by a significant 8.9%, strengthening slightly since the summer, and rising from a low of under 5% increase in 2001. This optimism is widespread, with some industries, including electronics, business and property services, and wholesale distributors expecting sales increases of over 10% over last year.

Confidence that sales plans will be achieved has dipped slightly since the last survey, but remains above its historic average. The majority of firms (52%) think that their sales plans are realistic, although one third described them as 'very challenging.'

Inflationary pressures are increasing, no doubt in response to rising energy and fuel costs and to slightly higher labour cost inflation. On average, those taking part in the survey expect to raise their prices by 2.2%, up from 1.6% in the summer.

According to Douglas McWilliams, economic adviser to The Chartered Institute of Marketing and Chief Executive of the centre for economics and business research, the survey results support the widely accepted view that the expected slowdown will represent a change of gear rather than recession. "An important indicator of the continued confidence that there will not be a recession is the relatively high – by historic standards – forecast for growth in marketing spend," says McWilliams. "Taking all the signals together, the survey points to steady, rather than booming, economic growth. But on the back of the strong upswing that has continued now since 2003, the fact that even now recession is not expected is encouraging."

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For more information or a copy of the Marketing Trends Survey detailing the full findings of the study, please contact:

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Note to editors:

- The Marketing Trends Survey is conducted on behalf of The Chartered Institute of Marketing by the centre for economics and business research limited.
- The study covers five topics – sales growth, price changes, business confidence, marketing expenditure and marketing focus.
- 497 marketing professionals were questioned in December 2004.
- Marketers from all regions, all sizes of company and all company are questioned and their answers are weighted to ensure that the survey reflects the structure of UK business.

About CIM

The Chartered Institute of Marketing (CIM) is the world's largest professional marketing body with over 50,000 members in 130 countries. We define the marketing standards that operate in the UK and champion best practice globally. We exist to develop the marketing profession, maintain professional standards and improve the skills of marketing practitioners, enabling them to deliver exceptional results for their organisations. We do this by providing membership, qualifications and training to marketing professionals around the world.

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